

THE GAMES

Bingo

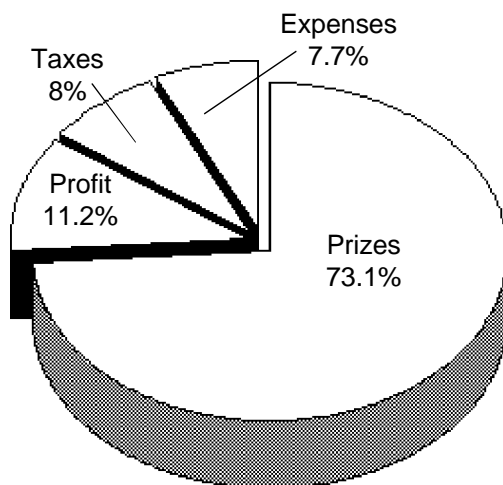
Another decline this reporting period marks the fourth consecutive year that bingo wagering continued to tumble in Nebraska. Bingo gross receipts, at \$20,166,019 for the reporting period, were at their lowest level in 10 years. Receipts were down 5.4 percent from the previous reporting period, and down 21.8 percent since their peak year in 1993 of \$25,803,263.

Class I receipts at \$6,545,873 were down by 4.7 percent, which closely reflects the decrease in the number of Class I bingo licensees, which were down by 4.2 percent (205 compared to 214 for the previous reporting period). On the other hand, Class II bingo receipts at \$13,620,146 were down 9.7 percent, with a much larger decrease in the number of licensees at 19.5 percent (33 compared to 41 for the previous reporting period). It is believed that the introduction of electronic bingo card monitoring devices during the reporting period, which were being used primarily by Class II licensees, stimulated bingo paper sales enough to negate some of the lost receipts resulting from the closure of the eight Class II bingo operations. Relatively little change was seen this reporting period with respect to the amount of bingo prizes paid, expenses incurred, and profits realized by the licensed organizations.

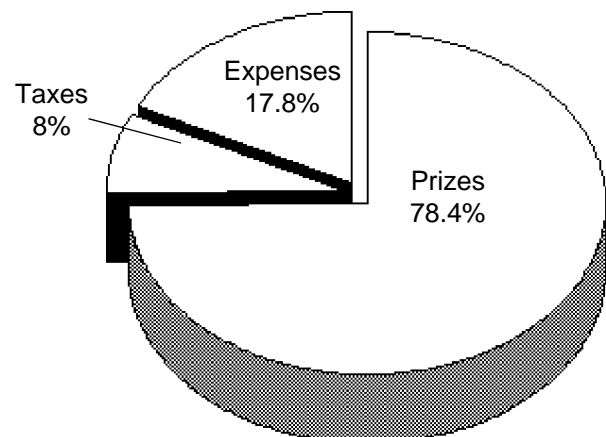
A drop in bingo attendance of 11.1 percent coincides with the drop in the number of bingo occasions held during the reporting period, which were down by 6.7 percent. Average player spend, however, increased from \$16.64 per bingo occasion to \$17.71. This increase is also thought to be the result of the introduction of electronic bingo card monitoring devices; a higher player spend was being seen at those occasions where electronic bingo card monitoring devices were utilized. It should also be noted that a 21.3 percent increase was seen this reporting period in the number of Special Event Bingo permits issued. Special Event Bingo is a relatively new program, which became available in October of 1994, that allows an organization to forego the need to obtain a full-blown bingo license if it wants to conduct bingo only once or twice a year at some special function, such as a county fair or school fun night. As organizations have become more familiar with the option of Special Event Bingo, many have dropped their Class I bingo licenses in lieu of obtaining a Special Event Bingo permit. Special Event Bingo is exempt from the tax, record keeping, and reporting requirements in place for Class I and Class II bingo licensees; thus, the Special Event Bingo gross receipts, number of occasions, and attendance numbers are not reflected in the figures shown on this page, and undoubtedly have contributed in part to the declining numbers found here.

	CLASS I	CLASS II	TOTAL
Bingo Gross Receipts	\$6,545,873	\$13,620,146	\$20,166,019
Prizes	4,781,382	10,674,525	15,455,907
Expenses	506,128	2,424,622	2,930,750
Taxes (6% State and 2% Local)	523,670	1,089,612	1,613,282
Profit	\$ 734,693	\$(568,613)	\$ 166,080

Class I



Class II**



Number of Occasions Conducted	13,922
Attendance Reported	1,138,901
Average Player Spend Per Occasion	\$17.71*

* Does not include player spend on pickle cards sold at the bingo occasions.

** Percentage distribution exceeds 100 percent, creating net loss.

Pickle Cards

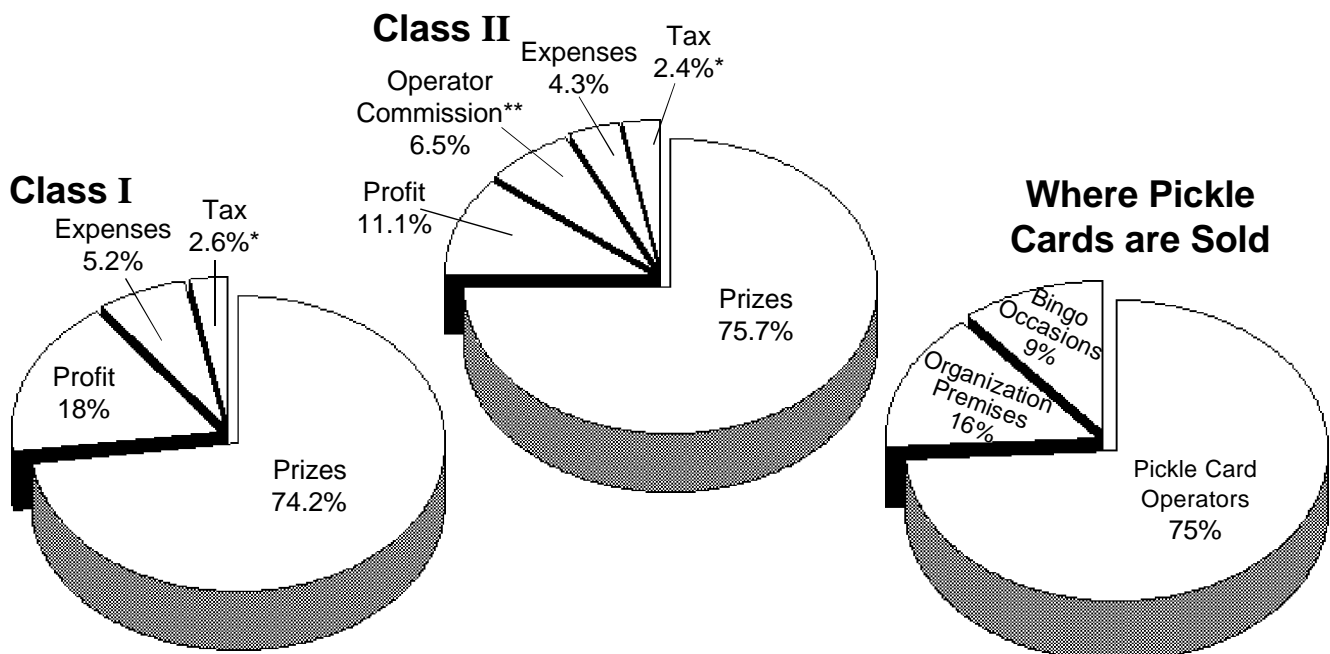
Of all the charitable gaming programs administered by the Department, pickle card sales, at \$116,790,134, for the reporting period appear to have been hardest hit by the competition from other forms of gambling. Sales were down for the third straight year, showing a 19.1 percent drop from the previous reporting period. Overall, sales are down 34.2 percent from their peak year during the 1994 reporting period when sales topped \$177,359,919. The number of pickle card units sold during the reporting period dropped by 19.8 percent; 68,484 units were sold last period, compared to 54,932 during this period.

Class I licensees, those selling pickle cards only at their designated premises (club facility) and bingo occasions reported a decrease in sales of 29.7 percent (from \$25,136,096 last year to \$17,679,570 this year). Class II licensees, those selling primarily through pickle card operators showed a 16.9 percent decrease (from \$119,206,977 to \$99,110,564). As the pie chart below illustrates, a majority of the pickle card sales in Nebraska continue to be through pickle card operators and has remained a steady 75 percent for the past three years. This is in spite of the fact that for the second year in a row, the number of pickle card operators has continued to drop (from 1,715 last year to 1,620 this year). This reporting period marked the first time that the number of pickle card dispensing devices registered with the Department actually decreased. The number of devices registered dropped by 9.4 percent (from 1,897 last year to 1,718 this year).

The number of organizations licensed to conduct a lottery by the sale of pickle cards decreased only slightly this reporting period (from 694 to 691); however, there was some shifting within the program relative to the classes of licenses issued. While the number of Class I licenses dropped by four percent, the number of Class II licenses increased by 3.4 percent. The decrease in Class I licensees by 10, and the increase in Class II licensees by 15 may in part be explained by Class I licensees upgrading to a Class II license.

Relatively no change was seen this reporting period as compared to last with respect to the percentage distribution of pickle card gross proceeds (see pie charts below).

	CLASS I	CLASS II	TOTAL
Pickle Card Gross Proceeds	\$17,679,570	\$99,110,564	\$116,790,134
Prizes	13,109,325	75,033,369	88,142,694
Operator Commissions	N/A	6,422,136	6,422,136
Expenses	912,209	4,235,374	5,147,583
Tax	457,025	2,407,719	2,864,744
Profit	\$ 3,201,011	\$11,011,966	\$ 14,212,977



Pickle Card Dispensing Devices Registered 1,718
 Number of Pickle Card Units Sold 54,932

* The statutory pickle card tax rate is ten percent of definite profit, which translates to approximately 2.5 percent of gross proceeds.

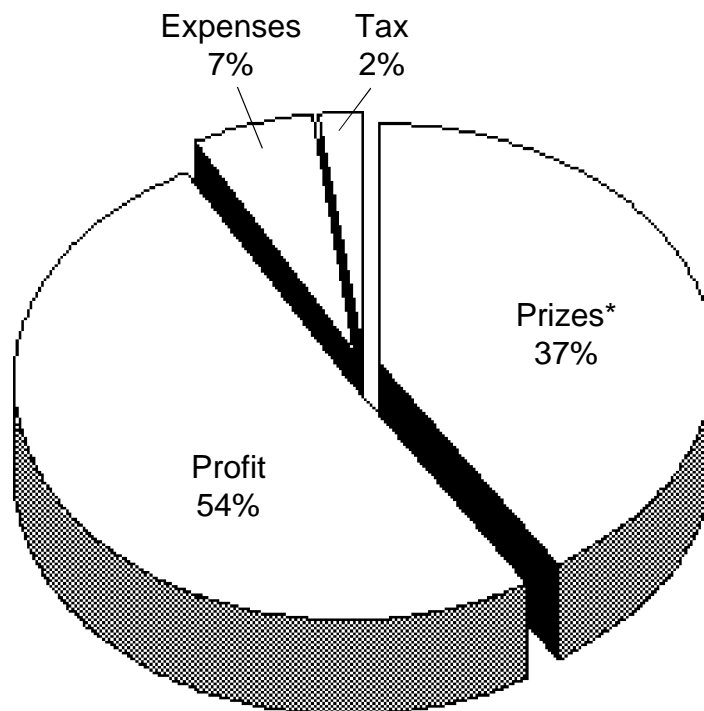
** The statutory maximum allowed for a pickle card operator commission is 30 percent of definite profit, which translates to approximately 7 percent of gross proceeds.

Lotteries and Raffles

Lottery/raffle was the only charitable gaming program to show an increase in wagering for this reporting period. At a combined \$3,343,691, gross proceeds were up by nine percent. The total number of lottery/raffle licensees has remained fairly constant for the past three years, holding at 177 to 178. Raffle (primarily merchandise prizes) gross proceeds were up 18.9 percent, and lottery (primarily cash prizes) gross proceeds were up by 2.4 percent. We always caution, however, that due to the relatively small volume of lottery/raffle activity in comparison to the other charitable gaming activities, one or two large lotteries or raffles can have a significant impact on the percentage of increase or decrease for this program. There was a slight shift in the percentage distributions seen below, with prizes dropping from 41 percent last reporting period to 37 percent for this period, profits increasing from 51 percent last period to 54 percent this period, and expenses increasing by one percent this reporting period over last.

It should be noted that the figures on this page represent only lotteries with gross proceeds (ticket sales) exceeding \$1,000, and raffles with gross proceeds exceeding \$5,000. Nonprofit organizations conducting lotteries or raffles with gross proceeds equal to or below these thresholds are not required to file reports with the Department or pay any lottery/raffle tax. A significant number of lotteries and raffles conducted in Nebraska fall within the non-reportable category.

Lottery Gross Proceeds	\$1,882,498
Raffle Gross Proceeds	1,461,193
Total Gross Proceeds	3,343,691
Prizes	1,221,172
Expenses	251,195
Total Taxes	66,873
Profit	\$1,804,451



* Actual prizes awarded equaled 43 percent of the total gross proceeds; however of this 43 percent, six percent of the prizes awarded were donated prizes.

County/City Lotteries

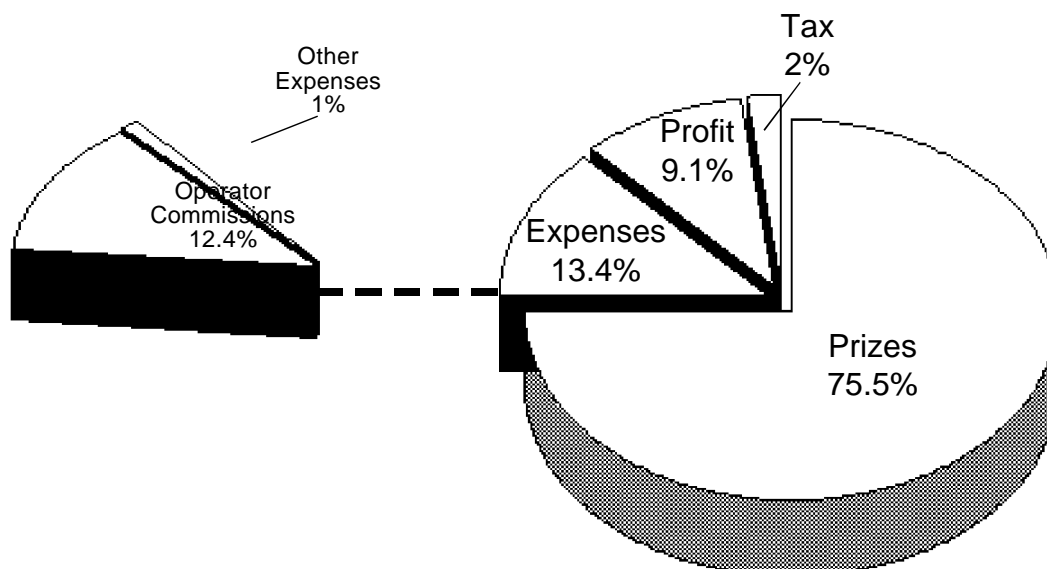
For the second consecutive year, a decline was seen in county/city lottery (keno) wagering. Gross wagering at \$160,521,574 was down 10.5 percent from the previous reporting period. Overall, from its peak wagering of \$208,670,897 during the 1995 reporting period, county/city lottery activity has dropped by 23.1 percent and is second only to pickle cards with respect to dollars lost to other forms of gambling.

Twelve communities held an election on the establishment of a lottery during the reporting period, as did 12 other communities for the same period last year. Five of these communities defeated the issue, while seven approved the operation of a lottery within their jurisdictions (see pages 12 & 13 of this report for election status details). Although the licensing numbers would appear to indicate an increase in county/city lottery activity (communities licensed to conduct a county/city lottery activity increased from 131 to 136, the number of lottery operators conducting games on behalf of those communities increased from 134 to 141, and the number of sales outlet location licenses where those operators were offering games increased from 349 to 396), it should be noted that six communities (Auburn, Imperial, Lewellen, Ong, Rushville, and Sprague), although actively licensed, had actually discontinued operating their lotteries during the reporting period. The net result is that one less community from last year was actually conducting a lottery.

In reviewing the licensing totals you may also note, for the first time ever, a decrease in the number of county/city lottery workers licensed during this reporting period. 3,637 workers were licensed this period, compared to 3,921 for the previous period. This 7.2 percent decrease is due largely to a concentrated effort undertaken by the Department to update the employment status of all county/city lottery workers and removing many that were inactive yet still on file. Discontinuation of an individual as a lottery worker is required to be reported to the Department; however, many lottery operators were failing to do so.

Virtually no change was seen this reporting period as compared to last, with respect to the distribution of county/city lottery gross proceeds (see pie chart below). Prizes and expenses (basically, operator commissions) both showed minimal increases (.5 percent and .4 percent respectively), resulting in a slight decrease in profit of .9 percent.

County/City Lottery Gross Proceeds	\$160,521,574
Prizes	121,278,794
Lottery Operator Commissions	\$19,855,637
Other Expenses	\$ 1,573,478
Total Expenses	21,429,115
Tax	3,210,433
Profit	\$ 14,603,232



COUNTY/CITY LOTTERY ELECTION AND LICENSING STATUS

as of June 30, 1997

Holding Election	Result of Election	License Issued	Status	Holding Election	Result of Election	License Issued	Status
Albion	Defeated			Gosper County	Affirmative	Yes	Active
Alda	Affirmative		(b)	Grafton	Affirmative	Yes	Active
Alliance	Affirmative	Yes	Active	Grant	Affirmative	Yes	Active
Anselmo	Affirmative	Yes	Active	Greeley	Affirmative	Yes	Active
Arthur County	Affirmative	Yes	Inactive (c)	Greenwood	Affirmative		(b)
Ashland	Affirmative	Yes	Active	Gretna	Affirmative	Yes	Active
Auburn	Affirmative	Yes	Inactive (c)	Gurley	Affirmative		(c)
Aurora	Defeated			Haigler	Affirmative		(c)
Avoca	Affirmative	Yes	Active	Hall County	Affirmative	Yes	Active
Banner County	Affirmative		(b)	Hardy	Affirmative	Yes	Active
Battle Creek	Affirmative	Yes	Active	Harlan County	Affirmative	Yes	Active
Bayard	Affirmative	Yes	Active	Hartington	Affirmative	Yes	Active
Beatrice	Affirmative	Yes	Active	Hastings	Affirmative	Yes	Active
Beaver City	Affirmative		(c)	Hay Springs	Affirmative	Yes	Active
Beaver Crossing	Affirmative	Yes	Active	Hebron	Affirmative	Yes	Active
Bee	Affirmative		(b)	Hemingford	Affirmative	Yes	Active
Beemer	Affirmative	Yes	Active	Hershey	Affirmative	Yes	Active
Belgrade	Affirmative	Yes	Active	Hickman	Defeated		
Bellevue	Affirmative	Yes	Active	Holbrook	Affirmative	Yes	Active
Belvidere	Affirmative		Inactive (a)	Holdrege	Affirmative		(c)
Benedict	Affirmative	Yes	Active	Hooper	Affirmative		(c)
Benkelman	Affirmative	Yes	Active	Howells	Affirmative	Yes	Active
Bennington	Affirmative	Yes	Active	Hubbell	Affirmative	Yes	Active
Blair	Affirmative	Yes	Active	Humboldt	Affirmative		(b)
Bloomfield	Affirmative	Yes	Active	Humphrey	Affirmative		(b)
Bloomington	Affirmative	Yes	Active	Imperial	Affirmative	Yes	Inactive (c)
Blue Hill	Affirmative		(c)	Indianola	Affirmative	Yes	Active
Blue Springs	Affirmative	Yes	Inactive (c)	Inglewood	Affirmative	(Part of Fremont)	Active
Brady	Affirmative	Yes	Active	Kearney	Affirmative	Yes	Active
Brewster	Affirmative		(c)	Keith County	Affirmative	Yes	Active
Bridgeport	Affirmative	Yes	Active	Kenesaw	Defeated		
Brownville	Affirmative	Yes	Active	Kennard	Affirmative		(a)
Buffalo County	Defeated			Kimball	Affirmative	Yes	Active
Burr	Affirmative		(b)	Lancaster County	Affirmative	(Part of Lincoln)	Active
Cambridge	Affirmative	Yes	Active	LaVista	Affirmative	Yes	Active
Cedar Creek	Affirmative		Inactive (a)	Lewellen	Affirmative	Yes	Inactive (c)
Central City	Defeated			Lincoln	Affirmative	Yes	Active
Chadron	Affirmative	Yes	Active	Lincoln County	Affirmative	(Part of North Platte)	Active
Chappell	Affirmative		(b)	Lindsay	Affirmative	Yes	Active
Cheyenne County	Affirmative	Yes	Active	Lodgepole	Affirmative		(c)
Clarkson	Affirmative	Yes	Active	Long Pine	Affirmative	Yes	Active
Columbus	Affirmative	Yes	Active	Lorton	Affirmative	Yes	Active
Cortland	Affirmative		(c)	Louisville	Affirmative		(c)
Cozad	Defeated			Loup City	Affirmative	Yes	Active
Craig	Affirmative		(b)	Lyman	Affirmative	Yes	Active
Crawford	Affirmative	Yes	Active	Madison	Defeated		
Creston	Affirmative		(a)	Madrid	Affirmative	Yes	Active
Crete	Affirmative	Yes	Active	Maywood	Affirmative	Yes	Active
Dakota City	Affirmative		Inactive (a)	McCook	Affirmative	Yes	Active
David City	Affirmative	Yes	Active	McGrew	Affirmative	Yes	Active
Dawson County	Affirmative	Yes	Active	Melbeta	Affirmative		(b)
Denton	Affirmative	Yes	Active	Memphis	Affirmative	Yes	Active
Deuel County	Affirmative	Yes	Active	Merriman	Defeated		
Dodge	Affirmative		(c)	Minatare	Affirmative	Yes	Active
Dodge County	Affirmative		(b)	Minden	Defeated		
Doniphan	Affirmative	Yes	Active	Monroe	Affirmative		(b)
Douglas County	Affirmative	(Part of Omaha)	Active	Morrill	Defeated		
Duncan	Affirmative	Yes	Active	Morse Bluff	Affirmative	Yes	Active
Dwight	Affirmative	Yes	Active	Mullen	Affirmative		(a)
Eagle	Affirmative	Yes	Active	Nebraska City	Defeated		
Elkhorn	Affirmative	Yes	Active	Neligh	Affirmative	Yes	Inactive (c)
Elwood	Affirmative		(b)	Norfolk	Defeated		
Ericson	Affirmative	Yes	Active	North Bend	Affirmative	Yes	Active
Exeter	Affirmative	Yes	Active	North Platte	Affirmative	Yes	Active
Fairbury	Affirmative	Yes	Active	Odell	Affirmative		(b)
Fairfield	Affirmative	Yes	Active	Omaha	Affirmative	Yes	Active
Fairmont	Affirmative		(b)	O'Neill	Affirmative		(c)
Falls City	Defeated			Ong	Affirmative	Yes	Inactive (c)
Fort Calhoun	Affirmative	Yes	Active	Ord	Defeated		
Franklin	Affirmative	Yes	Active	Osceola	Defeated		
Fremont	Affirmative	Yes	Active	Osmond	Defeated		
Fullerton	Affirmative		Inactive (a)	Otoe	Affirmative	Yes	Active
Gage County	Affirmative		(b)	Overton	Affirmative	Yes	Active
Geneva	Defeated			Oxford	Affirmative	Yes	Active
Genoa	Affirmative		(b)	Palisade	Affirmative	Yes	Active
Gering	Affirmative	Yes	Active	Palmer	Defeated		
Goehner	Affirmative	Yes	Inactive (c)	Papillion	Affirmative	Yes	Active

Holding Election	Result of Election	License Issued	Status	Holding Election	Result of Election	License Issued	Status
Pawnee City	Affirmative		Inactive (a)	Stanton	Affirmative		Inactive (c)
Peru	Affirmative		(b)	Sterling	Affirmative	Yes	Inactive (c)
Platte Center	Affirmative		Inactive (a)	Stuart	Affirmative	Yes	Active
Plattsmouth	Affirmative	Yes	Active	Superior	Affirmative	Yes	Active
Pleasant Dale	Affirmative	Yes	Active	Sutherland	Affirmative	Yes	Active
Polk	Defeated			Sutton	Defeated		
Potter	Affirmative	Yes	Active	Syracuse	Affirmative	Yes	Active
Prague	Affirmative	Yes	Active	Talmage	Affirmative		(c)
Ralston	Affirmative	Yes	Active	Tecumseh	Affirmative	Yes	Active
Randolph	Affirmative	Yes	Active	Terrytown	Affirmative	Yes	Active
Ravenna	Affirmative		Inactive (a)	Trenton	Affirmative	Yes	Active
Raymond	Affirmative	Yes	Active	Unadilla	Affirmative	Yes	Active
Roca	Affirmative	Yes	Active	Utica	Defeated		
Rulo	Affirmative	Yes	Active	Valentine	Defeated		
Rushville	Affirmative	Yes	Inactive (c)	Valley	Affirmative	Yes	Active
St. Edward	Affirmative		(a)	Valley County	Affirmative		(a)
Sargent	Affirmative		(c)	Valparaiso	Affirmative	Yes	Active
Sarpy County	Affirmative	Yes	Active	Verdon	Affirmative	Yes	Inactive (c)
Schuyler	Affirmative	Yes	Active	Waco	Affirmative	Yes	Active
Scotts Bluff County	Affirmative	Yes	Active	Wahoo	Affirmative	Yes	Active
Scribner	Affirmative	Yes	Active	Wallace	Affirmative		(c)
Seward	Defeated			Walthill	Affirmative		Inactive (a)
Seward County	Defeated			Washington County	Affirmative		(c)
Shelby	Affirmative		(b)	Waterloo	Affirmative	Yes	Active
Sidney	Defeated			Wauneta	Affirmative	Yes	Active
Silver Creek	Affirmative	Yes	Inactive (a)	Waverly	Affirmative	Yes	Active
Smithfield	Affirmative		(b)	Wayne	Affirmative		(a)
Snyder	Affirmative		(a)	West Point	Defeated		
South Bend	Affirmative		Inactive (c)	Wisner	Defeated		
South Sioux City	Affirmative	Yes	Active	Wymore	Defeated		
Spalding	Affirmative	Yes	Active	Wynot	Affirmative	Yes	Active
Sprague	Affirmative	Yes	Inactive (c)	Yutan	Affirmative		(c)
Springfield	Affirmative	Yes	Active				

(a) Election valid anytime

(b) Election expired

(c) Election subject to expiration

LOTTERIES LICENSED BY COUNTY

as of June 30, 1997

Adams	Dakota	Garden	Lincoln (cont.)	Sarpy (cont.)
City of Hastings	City of South Sioux City	Village of Lewellen*	Village of Sutherland	City of Papillion
Antelope	Dawes	Gosper	Madison	Sarpy County
City of Neligh*	City of Chadron	Gosper County	City of Battle Creek	City of Springfield
Arthur	City of Crawford	Greeley	Merrick	Saunders
Arthur County*	Dawson	Village of Greeley	Village of Silver Creek*	City of Ashland
Box Butte	Dawson County	Village of Spalding	Morrill	Village of Memphis
City of Alliance	Village of Overton	Hall	City of Bridgeport	Village of Morse Bluff
Village of Hemingford	Deuel	Village of Doniphan	City of Bayard	Village of Prague
Brown	Deuel County	Hall County	Nance	Village of Valparaiso
City of Long Pine	Dodge	Harlan	Village of Belgrade	City of Wahoo
Buffalo	City of Fremont	Harlan County	Nemaha	Scotts Bluff
City of Kearney	Village of Inglewood	Hitchcock	City of Auburn*	City of Gering
Butler	City of North Bend	Village of Palisade	Village of Brownville	Village of Lyman
City of David City	City of Scribner	Village of Trenton	Nuckolls	Village of McGrew
Village of Dwight	Douglas	Holt	Village of Hardy	City of Minatare
Cass	City of Bennington	Village of Stuart	City of Superior	Scotts Bluff County
Village of Avoca	Douglas County	Jefferson	Otoe	Village of Terrytown
Village of Eagle	City of Elkhorn	City of Fairbury	Village of Lorton	Seward
City of Plattsmouth	City of Omaha	Johnson	Village of Otoe	Village of Beaver
Cedar	City of Ralston	Village of Sterling*	City of Syracuse	Crossing
City of Hartington	City of Valley	City of Tecumseh	Village of Unadilla	Village of Goehner*
City of Randolph	Village of Waterloo	Keith	Perkins	Village of Pleasant Dale
Village of Wynot	Dundy	Keith County	City of Grant	Sheridan
Chase	City of Benkelman	Kimball	Village of Madrid	City of Hay Springs
City of Imperial*	Filmore	City of Kimball	Platte	City of Rushville*
Village of Wauneta	Village of Exeter	Knox	City of Columbus	Sherman
Cheyenne	Village of Grafton	City of Bloomfield	Village of Duncan	City of Loup City
Cheyenne County	Franklin	Lancaster	Village of Lindsay	Thayer
Village of Potter	Village of Bloomington	Village of Denton	Red Willow	City of Hebron
Clay	City of Franklin	Lancaster County	City of Indianola	Village of Hubbell
City of Fairfield	Frontier	City of Lincoln	City of McCook	Washington
Village of Ong*	Village of Maywood	Village of Raymond	Richardson	City of Blair
Colfax	Furnas	Village of Roca	Village of Rulo	City of Fort Calhoun
City of Clarkson	City of Cambridge	Village of Sprague*	Village of Verdon*	Wheeler
Village of Howells	Village of Holbrook	City of Waverly	Saline	Village of Ericson
City of Schuyler	Village of Oxford	Lincoln	City of Crete	York
Cuming	Gage	Village of Brady	Sarpy	Village of Benedict
Village of Beemer	City of Beatrice	Village of Hershey	City of Bellevue	Village of Waco
Custer	City of Blue Springs*	Lincoln County	City of Gretna	
Village of Anselmo		City of North Platte	City of LaVista	

* Licensed but inactive